

# REPORT OF ACCOMPLISHMENTS 1995 – 1998 “PROTECTING CALIFORNIA’S CONSUMERS”

## EXPANDED ACCESS TO INSURANCE INFORMATION

CDI understands that Californians expect an insurance regulator to protect consumers. CDI believes that a key aspect of this protection involves providing assistance to consumers in finding the best insurance value and helping them to understand their rights as insurance consumers. That is why CDI’s highest priority is protecting California’s consumers and maximizing the powerful benefits of free-market principles.

CDI recognizes that imperfect or incomplete consumer information and unequal bargaining power between insurers and consumers can make consumers vulnerable to abusive marketing and claims practices of insurers and producers. Enhancing consumer information about insurers’ financial strength, products, and prices is critical to ensure competition and good market performance. CDI is a leader in providing consumers with access to information they can use to make rational decisions among the often mind-boggling alternatives available in the insurance market. Using advanced information technology tools, such as the Internet, and other communication channels, CDI has helped make Californians more knowledgeable and better insurance consumers.

### *Award-Winning CDI Web Site*

The CDI Internet web site has received national recognition for providing consumers with comprehensive information

about the insurance industry. The web page offers important information for California consumers, insurance producers and insurance carriers, including:

- Premium rates comparisons for automobile, homeowner, rental, condominium, earthquake, and title insurance.
- CDI’s *Request for Assistance* forms for use in filing grievances against insurers.
- Comparative information on complaints against insurers.
- Information on fraudulent insurance activities.
- Instant agent license check, providing status, history and any disciplinary actions.
- Consumer brochures with helpful information on a wide variety of subjects related to insurance.

An *Internet Advisory Committee* made up of CDI employees throughout the Department, including the Consumer Ombudsman, administers CDI’s Web site. These content developers are responsible for creating helpful, informative, and interesting features of the web site. *Exhibit 7* outlines the extensive information and resources available at the CDI Web site located at [www.insurance.ca.gov](http://www.insurance.ca.gov).

*Exhibit 7: California Department of Insurance Web Site Information*

#### Looking for Insurance?

- Check to See if your Agent or Broker is Licensed
- Premium Comparisons
- General Insurance Information
- Consumer Complaint Study
- *Consumer Alert*
- Insurance Company Profiles
- Need Help Finding an Agent?

#### Having Problems with Your Insurance?

- Disaster Assistance
- Catastrophe Series
- Claim Tips
- How to File a Complaint
- Unpaid Holocaust Claims
- Proposition 103 Rebate Status

#### Who's Looking Out for Your Interests?

- Consumer Services
- CDI Policy Initiatives
- Boards, Advisory Committees and Commissions
- Intervenor Program

#### Fighting Insurance Fraud

- *Most Wanted*
- *Undercover*
- Auto Insurance Fraud
- Workers' Compensation Fraud
- Special Operations
- History of Fighting Fraud

#### Financial Oversight

- Company Financial Reports
- Court-approved Sale of an Insurance Company
- Year 2000 Compliance Project

#### Legal Materials & Information

- Precedential Decisions of the Commissioner
- Research Studies and Auto Class Plan Information
- CEA Rate Hearing
- Regulations
- Insurance Code

The CDI Web site has garnered numerous awards for the comprehensive content of information for insurance consumers and its quality presentation. In fact, CDI's Web site is a model used by the National Association of Insurance Commissioners (NAIC) and CDI staff co-authored the NAIC's *White Paper on the Internet*<sup>2</sup> that explores the unique possibilities of using the Internet in insurance regulation.

### Consumer Outreach

Information is essential and it is CDI's obligation to make sure that the public is adequately informed. CDI is committed to proactively providing consumers with practical and timely information about the insurance industry and CDI's *Outreach Program* serves that objective.

To further outreach efforts, CDI expanded distribution of consumer information and education by publishing brochures, speaking at schools and community groups, attending town-hall meetings and other forums. CDI's *Outreach Program* participated in 159 events between 1995-1999. In addition, CDI's Fraud Branch conducted 862 training and public presentations between July and December 1998.<sup>3</sup>

### Public Service Announcements

On December 2, 1997, CDI announced a major outreach program designed to increase public awareness about millions of unclaimed dollars that might be owed to consumers from Proposition 103 auto insurance rebates, enforcement actions, liquidated assets, class-action settlements, and restitution awards.<sup>4</sup> CDI aired 30-second public service announcements on television and radio across California to inform consumers on how consumers can easily determine if money is owed to them and how to file a claim.

CDI also announced on August 25, 1998, that the Department would begin a major consumer outreach program designed to increase consumer awareness about money that may be owed on unpaid Holocaust-era insurance claims.

Source: California Department of Insurance, Office of the Ombudsman, 1998  
Since the web site's launch, activity has grown to over 500,000 "hits" every month and continues to climb.<sup>1</sup> The site's most popular features include premium comparisons, agent and broker license information, enforcement actions, list of admitted companies, Fraud Branch's Most Wanted list, and consumer complaint studies. In addition to the regular favorites, CDI's Web site includes seasonal features such as pertinent information about various types of natural disasters common to California. This feature is updated every few months to provide information about seasonal topics such as increased fire danger in the summer, flooding in the spring, and mudslides in the winter.

<sup>1</sup> California Department of Insurance, Office of the Ombudsman,.

<sup>2</sup> National Association of Insurance Commissioners, *White Paper on the Internet*, March 16, 1998.

<sup>3</sup> California Department of Insurance, Press Office, Consumer Outreach Overview, memorandum dated March 19, 1999.

<sup>4</sup> California Department of Insurance, Press Office, Consumer Outreach Overview, memorandum dated March 19, 1999.

## Insurance Information Published in Several Languages

CDI sought not only to increase the amount of quality information available, but also sponsored legislation<sup>5</sup> in 1995 to enable the CDI to produce consumer information booklets in commonly spoken **non-English** languages – particularly Spanish and Vietnamese. As a result, CDI began publishing Spanish and Vietnamese versions of the Department’s brochures in 1997 in addition to the English versions. Approximately 6,000 brochures are distributed each month in English, Spanish and Vietnamese translations.<sup>6</sup>

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<sup>5</sup> AB 1150 Chapter 909/Oct. 1995)

<sup>6</sup> California Department of Insurance, Press Office, Consumer Outreach Overview, memorandum dated March 19, 1999.

